

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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PEGASUS INTEGRATED CONSULTING, CORP.,

Plaintiff,

-against-

RUE 21, INC.

Defendant.
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Case No. 07 CV 3245 (WHP)

[N.Y. Sup. Ct. N.Y. County
Index No. 07/601111]

AFFIDAVIT OF CARLOS GOMEZ

STATE OF CALIFORNIA)

COUNTY OF LOS ANGELES)

Carlos Gomez, being duly sworn, hereby deposes and says:

1. Khaotik, Inc. ("Khaotik") is a California corporation with its principal place of business in Los Angeles, California that was incorporated in June 2006. I am a shareholder of Khaotik, Inc. and have been since its incorporation.

2. I have personal knowledge of the facts set forth in this affidavit. I am prepared to testify on any of the matters set forth below if called as a witness in this matter.

3. rue21 is a clothing retailer with its principal place of business in Warrendale, Pennsylvania, near Pittsburgh, Pennsylvania. rue21 purchases goods from various vendors for resale to consumers. Beginning shortly after its incorporation in June 2006, Khaotik became a vendor to rue21.

4. Between July and October 2006, rue21 ordered goods from Khaotik on several occasions pursuant to a standard form of purchase order (the "Purchase Order") transmitted by

rue21, an example of which is attached hereto as Exhibit 1. During this period, rue21 issued the following Purchase Orders to Khaotik, in each instance pursuant to the standard form of Purchase Order referenced above: 1991, 2190, 2191, 2634, 2635, 2636, 3306, 3333, 3334, 3335, 3336, 3337, 3357, 3361, 3364, 3365, 3366, 3377, 4244 and 4245.

5. The face of each Purchase Order, conspicuously, in all capital letters and in bold print, specifies that the Terms and Conditions on the face and reverse side of the Purchase Order ("Terms and Conditions") and the Vendor Compliance Manual are part of the Purchase Order:

ATTENTION VENDOR ("SELLER")

CAREFULLY READ THE FACE AND REVERSE SIDES OF THIS PURCHASE ORDER AND THE rue21 VENDOR COMPLIANCE MANUAL AS AMENDED. THE TERMS AND CONDITIONS ON THE FACE AND REVERSE SIDES HEREOF AND THE VENDOR GUIDELINES EXPLAINED IN THE rue21 VENDOR COMPLIANCE MANUAL ARE PART OF THIS PURCHASE ORDER. ACCEPTANCE OF THIS OFFER TO PURCHASE IS EXPRESSLY LIMITED TO ITS TERMS. SHIPMENT OF THE MERCHANDISE OR PERFORMANCE OF THE SERVICES ORDERED WILL CONSTITUTE ACCEPTANCE OF THIS OFFER. DO NOT SHIP THE MERCHANDISE OR PERFORM THE SERVICES ORDERED UNLESS THIS OFFER IS ACCEPTABLE.

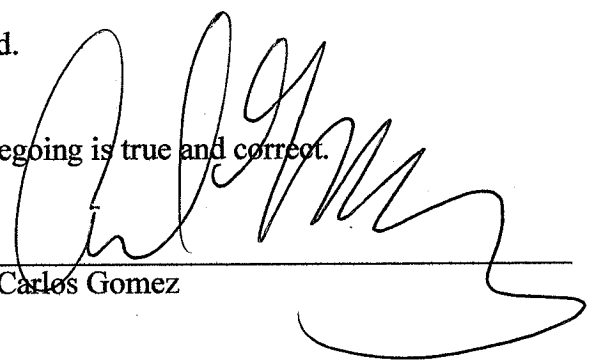
6. In connection with these Purchase Orders, Khaotik received and reviewed the Vendor Compliance Manual referenced by and incorporated into the Purchase Order. The Vendor Compliance Manual contains the Vendor Compliance Guidelines, including another copy of the Purchase Order (including the Terms and Conditions).

7. For each of these Purchase Orders, Khaotik was fully aware of the terms of the Purchase Order, including the incorporated Vendor Compliance Manual and Terms and

Conditions, and agreed that the Purchase Order, including the incorporated Vendor Compliance Manual and the Terms and Conditions, was binding upon Khaotik.

8. For many of these Purchase Orders, a two sided copy of the Purchase Order was provided to Khaotik, although Khaotik was aware and agreed that the Vendor Compliance Manual and the Terms and Conditions were a binding part of each of the each of the Purchase Orders whether or not a two-sided copy was provided.

I declare under penalty of perjury that the foregoing is true and correct.


Carlos Gomez

SWORN TO BEFORE ME

THIS 17 DAY OF
May, 2007.


Notary Public

My Commission Expires:

12/05/2009

